

Instrument description of the Finnpartnership Business Partnership Programme for the programme period 2022-2024

Finnpartnership is a business partnership programme run by the Ministry for Foreign Affairs, the aim of which is to increase long-term profitable, sustainable and responsible business between companies in Finland and developing countries and other actors. The programme aims to achieve this objective by offering financial Business Partnership Support to Finnish companies for the preparation of business in developing countries. The programme also provides training, advisory and information services that support business partnerships.

Finnpartnership is one of Finland's development policy instruments. Its aim is to promote Finland's Development Policy's objectives, in particular priority II Strengthening the economic base of developing countries and creating jobs. The programme will contribute to this objective by supporting business partnerships which, if successful, will lead to profitable and responsible business in accordance with the UN Sustainable Development Goals (SDG) in the project countries. Another key objective is to increase the number of Finnish companies operating in developing markets.

Finnpartnership is a demand-driven programme without actual country or sector restrictions. However, the programme emphasises countries that are central to development policy, including the least developed countries, the lower middle income countries and fragile countries. This is done by targeting the activation of applications and the provision of services to these countries.

Key objectives of Business Partnership Support

Business Partnership Support is intended as seed money for commercially based responsible and sustainable business, which has positive development impacts in the project country. Positive development impacts include decent jobs, the transfer of technology and expertise, diversification of production in the project country, increased equality, and environmentally friendly solutions.

Key terms and conditions of Business Partnership Support

Business Partnership Support is intended for planning, piloting and training phases that create a foundation for profitable and responsible business activities. Applicants cannot apply support for the purpose of promoting exports.

Business Partnership Support can be applied to all countries eligible for development aid.

The support may cover at most 30-85% of the budget of the project to be supported. The share of the support depends on the project type, the size of the applicant organisation and the project country.

Finnish companies or other Finnish actors, such as non-governmental organisations, research institutes and educational institutions, are eligible to apply for support. Applications can be submitted for support for the following project types:

- 1) Long-term business partnership, such as establishing a joint venture or a subsidiary, import, subcontracting or similar, and the development of existing business in the project country.
- 2) Piloting with an official development aid (ODA) eligible international organisation. The aim is to promote pilot and demonstration projects for technology or other solutions implemented jointly by Finnish companies and international organisations.

- 3) Feasibility study for an investment project. The aim is to support companies in preparing the Ministry for Foreign Affairs' Public Sector Investment Facility (PIF) or other similar investment projects.
- 4) Support functions. The aim is to increase the effectiveness of business partnership projects by promoting joint projects with non-governmental organisations, educational institutions and research institutes.

Business partnership projects must comply with the principles of Finland's development policy.

Services supporting business partnership projects

Finnpartnership offers a range of services to support business in developing countries. These include application workshops, the SDG Booster and Doing Business with Finland events as well as other advisory and information services. Starting from 2022, Finnpartnership will recruit experts to Kenya and Vietnam who will support cooperation at the country level. The aim is to strengthen the quality of business partnership projects to ensure that responsible business practices, development objectives and the needs of the target market are taken into account in planning.

Finnpartnership is part of private sector funding for developing markets

Finnpartnership supplements other private sector financing instruments. It is early-stage funding for companies interested in developing markets. Finnpartnership supplements in particular Developing Markets Platform (DevPlat) funding, with which the programme cooperates closely. Support can also be applied for the preparatory phase of PIF projects through this programme. In addition, pilot support granted by the programme facilitates access to other international funding.